

How the real deal went down

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By Jonathan Alter

At 11:30 pm on Friday night, March 19, Rep. Ron Kind of Wisconsin stormed out of the Speaker's conference room, as desperate aides to Nancy Pelosi pleaded with him to stay and not blow up the health care bill. Talks on the critical fine print of the bill had so broken down that the American Medical Association was threatening to withdraw its support, a move that would have likely doomed the measure.

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Kind was part of the Quality Care Coalition, a group of 30 Democratic members from states in the Middle West and Pacific Northwest who were more pivotal to the outcome of the health care bill in the House than Bart Stupak and other anti-abortion Democrats.

Stupak had lost his leverage after he insulted nuns on television and, lacking support of the Catholic Hospital Association and other Catholic groups, found that the backing of the bishops was no longer enough to give him much clout. Several of his pro life colleagues--like Rep. Marcy Kaptur--had already announced their support for the bill. So it was no surprise that agreement by President Obama to re-state the obvious in an executive order (that the Hyde Amendment banning federal funding of abortion was still in effect) would be enough to secure Stupak's vote.

But if the little known regional disputes hadn't been resolved there would have been no bill.

Kind represented members with two concerns: that regional disparities in hospital reimbursements were harming their states, and that the bill didn't move sharply enough from the current fee-for-service payment system to what is called "value-based reimbursement"--a shift toward salaried doctors, transparent pricing, and other proven strategies for better control of costs.

When Kind walked out as part of a negotiating ploy, three other members--Jay Inslee of Washington State, Betty McCollum of Minnesota and Bruce Braley of Iowa--stayed behind to negotiate with Nancy-Ann DeParle, the top White House aide on health care. They

continued haggling until 3 a.m. Saturday morning.

The regional issues were touchy because of the so-called "Cornhusker Kickback," which everyone agreed needed to be stripped from the bill in the reconciliation fixes. This led to great secrecy as the final deals were cut.

Braley took the lead and won agreement from the administration to push for \$800 million for states that felt disadvantaged by Medicare formulas (down from \$8 billion in the original House bill) and a commitment to further adjustments that would benefit these lower cost states (including Nebraska) at a September 2010 "reimbursement summit." Braley also won a pledge that--through the Institute of Medicine and a newly-constituted Independent Payment Advisory Board--the government would "put more teeth in it (a move away from fee-for-service) and move more quickly."

At 9:30 am on Saturday morning, after an all-nighter by White House and Health and Human Resources staffers, HHS Secretary Kathleen Sebelius produced a letter--still not released--that put the Braley commitments on paper. Under the Senate bill eventually passed by the House, HHS was given broad latitude over regional formulas as well as cost containment ideas, which means that the letter has real meaning.

Obama called Braley and Kind, reiterated the commitments contained in Sebelius' letter and urged them to back the bill. By mid-morning Saturday, they and a dozen other members of the Quality Care Coalition committed to voting aye, which accelerated the bill's momentum and all-but-assured passage--a full day before Stupak's highly-publicized end game.

The Braley fixes might sound technical but they go to the heart of cost containment and the ultimate success or failure of the new law. If "value-based reimbursement" is real, the bill won't bankrupt the country. If it's happy hoey from health care experts, a rude reckoning lies ahead. "At the 11th hour, we put the "R" back into reform," said Rep. Steve Kagen of Wisconsin. We'll know in about three years if he's right.